Secretariat to issue the summons in time. Because of the late receipt of the summons, we lost four days out of the number of days generally given for submitting questions.

Madam, you had assured the House that a proper procedure would be laid down concerning the issue of summons. You had said that you would inform the House as to what was going to be that procedure. I would now like to know whether you have any information on this.

THE DEPUTY CHAIRMAN: Mr. Ambedkar, the procedure is already laid donw.

SHRI PRAKASH YASHWANT AMBEDKAR: No.

THE DEPUTY CHAIRMAN: There is no new procedure.

SHRI PRAKASH YASHWANT AMBEDKAR: I had pointed out about it at the beginning of the Session itself, Madam. I had raised the issue at the beginning itself.

THE DEPUTY CHAIRMAN: Mr. Ambedkar, the procedure is already laid down. Only in the case of this Session, you had received the summons late. I made enquiries in regard to this with the Secretariat. The Secretariat have told me that they did not receive the intimation from the Ministry of Parliamentary Affairs earlier. When they got the intimation, they immediately issued the summons. In this case, our Secretariat was very efficient. They worked even in the night. They worked till late in the night.

As I said, this was an incident which had happened only in the case of this Session. The Ministry of Parliamentary Affairs were told. They have said that from the next Session, such a thing would not happen. This was the assurance they had given. Now, the matter is closed. Calling-Attention to a matter of urgent public importance. Shri Dipankar Mukherjee, please. *(Interruptions)*

श्री सैयद सिब्ते रज़ी: मुझे केवल आधा मिनट दे दीजिए।

شری سیّد سبط رضی: مجھے کیوں آدھا منٹ دے رہے ہیں۔

उप सभापति: अभी नहीं, अभी मैं बिल्कुल समय नहीं दे सकती। श्री दीपांकर मुखर्जी, आप बोलिए।

No, no. I am sorry, Shri Dipankar Mukherjee, please. *(Interruptions)*

SHRI CHIMANBHAI MEHTA: Madam, ...*(Interruptions)*

THE DEPUTY CHAIRMAN: No. *(Interruptions)* I am not allowing.

SHRI DIPANKAR MUKHERJEE, please. *(Interruptions)*

CALLING ATTENTION TO MATTER OF URGENT PUBLIC IMPORTANCE

Refusal of Banks and Financial Institutions to provide working capital to Public Sector undertakings and sick units

SHRI DIPANKAR MUKHERJEE (West Bengal): Madam Deputy Chairman, I call the attention of the hon. Minister of Finance to the situation arising out of the refusal of the banks and financial institutions to provide funds for the working capital and development programmes of a number of public sector undertakings as well as for the revival of sick units cleared by the B.I.F.R.

THE MINISTER OF FINANCE (SHRI MANMOHAN SINGH): The Board for Industrial and Financial Reconstruction (BIFR) was set up by the Central Government on January 12, 1987, under the provisions of Section 4 of the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA). BIFR became fully operational in May 1987. Initially, SICA did not cover public sector industrial companies as defined by Section 617 of the Companies Act of 1956. An amendment to SICA in December 1991 brought such companies under the purview of the Act and the BIFR.

As per provisions of SICA, sick public sector companies are required to be

*[] Transliteration in Arabic Script.

referred to the BIFR for determination of remedial and other measures which need to be taken in respect of such companies. Where a scheme for rehabilitation of a company is sanctioned by BIFR under the provisions of SICA, banks and financial institutions concerned provide facilities in terms of the sanctioned scheme.

As on 31st July, 1994, 118 cases (53-Central; 65-State) of sick public sector companies were registered with the BIFR. The break up of these cases is given in the Annexure to this Statement.

BIFR has sanctioned as on 31st July, 1994 rehabilitation schemes in respect of following six public sector companies:

Central:

(i) Indian Drugs and Pharmaceuticals Limited, Haryana.

State:

(i) Hyderabad Allwyn Limited, Andhra Pradesh

(ii) Singareni Collieries Company Limited, Andhra Pradesh

(iii) Keltron Electro Ceramics Limited, Kerala

(iv) Kerala Automobiles Limited, Kerala

(v) Kerla Minerals and Metals Limited, Kerala

In the above mentioned six cases, banks and financial institutions concerned have agreed to provide reliefs/concessions under the rehabilitation schemes sanctioned by BIFR. The banks concerned have also agreed to provide need based working capital. It is, therefore, not correct to say that banks and financial institutions are refusing to provide funds for revival of sick units cleared by BIFR.

I may add that Reserve Bank of India (RBI) has laid down broad parameters for provision of reliefs/concessions by banks under rehabilitation packages evolved for sick units considered as potentially viable. These guidelines were issued before public sector companies were covered under SICA and do not make any distinction between sick industrial units in the private sector or public sector. The guiding principle for rehabilitation of a sick industrial unit is its viability on a commercial basis. In view of the special characteristics of the public sector companies, the general issued of reliefs/concessions to be provided under rehabilitation packages in the case of sick public sector companies which are considered as potentially viable, is under consideration of the RBI.

In case of other sick public sector companies (i.e. where the BIFR is yet to take a decision) banks allow 'holding-on' operations and extend need based support on a case to case basis. Banks have been advised by RBI that they should not abruptly stop the credit facilities to such companies but should exercise their judgement in regard to continuation of the 'holding-on' operations. No additional facilities are normally provided by banks to sick public sector companies which are prima facie non-viable and advances to whom do not carry Government guarantee.

In case of public sector companies other than sick companies, banks and financial institutions consider extending financial assistance for their new/expansion projects based on the viability of the project and compliance of their usual norms regarding promoters contribution, debt equity ratio, current ratio, prudential exposure limits etc.

I trust, Sir, that this would explain the position.

ANNEXURE

Annexure to the Statement of Finance Minister in the Rajya Sabha on 25.08.1994 on the Calling Attention Motion tabled by Shri Dipankar Mukherjee and other Members regarding the situation arising out of the refusal of the banks and other financial institutions to provide funds for the working capital and development programme of a

number of public sector undertakings as well as for the revival of sick units cleared by BIFR.

Break up of cases of public sector undertakings in BIFR as on 31.07.1994

	Central	State	Total
i. References Registered	53	65	118
ii. Dismissed as non-maintainable	2	20	22
iii. Rehabilitation schemes sanctioned	1	5	6
iv. Winding up recommended to the concerned High Courts	1	5	6
v. Draft rehabilitation schemes circulated	4	2	6
vi. Winding up notice issued (including 4 cases stayed by Courts)	9	7	16
vii. Under inquiry (including one case stayed by Court)	36	26	62

SHRI DIPANKAR MUKHERJEE: Madam, as I rise to speak, there is an atmosphere of total uncertainty and acute financial crisis in the public sector as a whole and, specially, so far as the so-called sick public sector units are concerned. I will go back to 1991-92 when 98 public sector companies were termed as sick. Fifty-eight of them were termed as chronically sick.

The Department of Public Enterprises had made an initial appraisal, and they called it "A Monograph on Performance Status of the PSUs." And what did this status indicate? There are, basically, five or six major reasons why these public sector undertakings were sick. What are they? First is old machinery and equipment. Second is, lack of timely financial inputs for modernization and expansion measures. Then, lower capacity utilization. Then, heavy overhead interest burden. Why this heavy interest burden? Because of continuous cash losses, no capital investment was there; cash losses were there. Due to continuous cash losses, the units had to bear an unproductive debt burden. Then, lack of accountability. That is an administrative measure and I am not touching it. What for the SICA amendment was made? These are the six specific reasons why the units became sick.

When the SICA amendment was made to refer these public sector undertakings to the BIFR, we had a lot of apprehensions, and these apprehensions were brought forth very specifically. One of the major apprehensions was, the moment they would be referred to the BIFR, they would not get financial assistance from the banks because they have been termed as sick. When these apprehensions were raised, a letter was written to the hon. Prime Minister that we felt that the reference to BIFR was nothing but an exit route, as advised by the World Bank through the backdoor, and that is why SICA has been amended and that is why the public sector companies were being referred to BIFR. The hon. Chief Minister of West Bengal wrote a letter to the hon. Chief Minister of West Bengal wrote a letter to the hon. Prime Minister. I quote from what the hon. Prime Minister wrote to the hon. Chief Minister, because this is very important. The hon. Prime Minister wrote:

> "Merely providing future resources without addressing the root-cause of losses incurred may not help. Instead, it would be better to study each PSU in detail and examine all realistic options for revival. The BIFR has experience of such analysis and for framing rehabilitation packages."

Fair enough.

The second point that he mentioned is regarding the Special Tripartite Committee. He says:

> "The Special Tripartite Committee under the Ministry of Labour is already looking into the problems of sick PSUs in each sector and trying to find solutions. If these are agreed to...."

I repeat:

> "If these are agreed to in the Special Tripartite Committee, the BIFR will then only be required to accord formal approval to the rehabilitation plan."

That means, if the package is agreed to in the Tripartite Committee, it will be only formally accorded the approval in the BIFR. What has been happening? How many committees have we formed so far? We have the Ghatawar Committee. We have the Tripartite Committee and the Industrial Tripartite Committee on different sectors. We have another Committee now, the Group of Ministers, of which the hon. Minister and the hon. Commerce Minister are members.

A number of committees have been formed, but the basic presumption on which we are going to the BIFR remains unimplemented. When the Special Tripartite Committee agrees to a rehabilitation programme, it will get formal approval from the BIFR. If that is the case, may I recapitulate for the benefit of the hon. Finance Minister what happened in the Special Tripartite Committee meeting held on the 20th of January, 1992, where the Finance Minister was present. This point of sick PSUs was specifically discussed. What was mentioned? What are the minutes of the proceedings? They said:

> "The PSUs can be classified into four categories:
>
> "(1) units which are currently viable but are likely to fall sick in the future;
>
> "(2) units which are already sick but can be salvaged with appropriate remedial action in time."

"Remedial" means technical, financial as well as administrative. Can he cite a single example where any such sick units has been salvaged so far?

> "(3) Units which are chronically sick and which require radical treatment."

Afterwards I will come to the radical treatment, what type of radical treatment is being meted out to these so-called chronically sick units.

> "(4) Units which are sick, but their current working can be made profitable with no cash loss to begin with, provided their past liabilities are appropriately taken care of and are not allowed to act as a drag and the dues of the labour are paid."

This is a very important point. I want to know this specifically from the Finance Minister. You were present in that meeting. Would you kindly tell this to us, the past liabilities of how many sick units have been appropriately taken care of so far? How many of them are not being allowed to drag? How much of the dues of the labour has been paid? Is he aware of the number of sick public sector units in which wages are not being paid in time? I can give a list, but I will not.

What about working capital? The main point which was discussed and decided there was that so far as the sick units which are referred to the BIFR are concerned, a need-based working capital would be given. Is it correct or not? What was decided? What exactly does the BIFR mean? What for are you refering a public sector unit to the BIFR? For revival. If it is for revival, then, some this is taken by the BIFR to formulate a rehabilitation package. During that period, till a rehabilitation package is framed by the BIFR, how are these sick

units going to run without working capital and without any budgetary support?

The case-to-case business has not come there. We have just now gone through para 7 of the statement of the Hon'ble. F.M. This is the crux of the problem. Now he comes to the case-by-case business. What does it mean? What for this a company referred to the BIFR? To find out whether it is really sick, whether it has the potential to become viable and, if so, what type of propositions can be made. But, so far as the rehabilitation package is concerned, so far, none of the Central PSUs, except one or two chemical companies like the IDPL, a rehabilitation package has been framed so far for the last two years. How will will these companies be run during these two years?

The Minister has mentioned in his statement that they would be given facilities for "holding-on" operation or whatever it is called. This will be given on a case-to-case basis! Who will decide this case-to-case basis? If it is being decided by the banks and other institutions, are they not acting as super-BIFR organisations or as mini-BIFR organisations, whatever you call them? If you are deciding in anticipation that these cases do not require a working capital or a budgetary support, then how do you expect the BIFR to decide or the operating agency to decide that these are viable? That means you are pre-empting the matter, before a final decision is taken at BIFR! There lies the whole logic of the so-called support on a case-to-case basis. What is the meaning of deciding on a case-to-case basis, if you have taken this responsibility of deciding which case deserves the working capital support? That means you have already decided that these are the units which are to be revived and others cannot be revived. In that case why did you refer it to the BIFR? You are talking about the operating agencies. What are these operating agencies? Madam, a game is going on. As if we are a criminals, we have to go and report to different agencies. I talked about the BIFR. Before the BIFR, the banks will decide on a case-to-case basis as to whether I deserve the working capital or not. In that BIFR the operating agency comes in. Who is this operating agency? It is the same banks or the financial institutions.

एक एक जगह एक एक तमाशा होता है इनका।

After that when these things are finalised, I have to go to the special tripartite committee. Then we have to go to the representative of the Ministry of Finance. Then it will go to a group of Ministers. They have to examine whether the finance is there or not. The question is, why all this *Jhagra?* Why do you call the trade unions here and there? All the poor workers have to go from here to there. Once and for all you decide whether it is viable or not. That should be done at an appropriate stage itself. The BIFR is nothing but a smokescreen. Instead of taking these decisions through an administrative fiat, you want some other forum to take a decision on your behalf. This is my charge.

For a logical treatment of the case, a recommendation was made by some tripartite committee. The Prime Minister had given an assurance that if an agreed package is formed at the special tripartite committee, it would go to the BIFR for its formal approval. May I know what has happened to the industrial tripartite committee of the engineering sector? A unanimous recommendation by the management, unions and associations had gone as revival package for 15 units. What has happened to that? Whose clearance is being awaited now? They have not yet forwarded it to the BIFR. What about textiles? A package was agreed upon by the Ministry, by the Unions, by everyone. Why is it that the National Textiles Corporation people are not getting their salaries in time? I am not sure whether they have got their salary for the last month. Why are they not getting their salary? Is the Finance Ministry aware that there are about 13

companies in West Bengal, which have not been able to pay salary to their employees for the last three or four months? If everything is so nice everywhere, then why salaries are not being paid in time? With a little bit of technical knowledge that I have I would like to say that if production in a Unit is stopped for two years what type of revival do we require from the BIFR in two years? So, I would like to say to the Finance Minister that even if a final package is made, say, after another six months, what will be the condition of the machineries, were the plants are not running? What will be the condition of that company so far as the market is concerned? What will be its image to the creditors? So, if a revival package is made at any time what will be its future so far as the revival of the company is concerned?

I would like to give some examples of what is happening even in regard to very small areas of activities. Even for very small facilities banks are insisting on bank guarantees. They are not insisting on that from the private companies. I cite an instance of MAMC, a premier organisation. They could not give the earnest deposit for Rs. 15 lakhs. The tender was from Western Coalfield of India. MAMC technically was found suitable. It was the second lowest bidder. But their price bid could not be opened because they could not deposit the earnest deposit for Rs. 15 lakhs, because the bank guarantee was not given. He said that no discrimination was being done. In the case of Bharat Brakes and Valves. I have heard him saying this on the floor of this House. Could you please check up whether the State Bank of India has given loan to the Bharat Brakes and Valves on concessional rate of interest as per the Reserve Bank of India guidelines? I can cite a number of cases where concessional rate of interest has not been given to the public sector undertakings as per the RBI guidelines becuase banks say that they do not have specific directives on that. The RBI guidelines were meant for the private companies. If the Minister wants a list of cases where concessional rate of interest has been denied by the banks, I can give it to him.

What has happened to the Fertilizer Corporation of India, unit at Ramagundam? The Minister for fertilizer is sitting there and he knows the working capital of the fertilizer sector. Why is that the Fertilizer Corporation of India, Ramagundam is not running? Because they cannot pay for the coal, they cannot pay for electricity charges. The Hindustan Fertilizer Corporation of India's units at Durgapur has been closed down. Why? Because they could not purchase a pump worth of Rs. 7.5 lakhs. If a process plant like the fertilizer plant is shut down, even if a revival package is made after two years, the revival cost will be higher and higher. The Ministers know about the economics, better than me. Even for revival package, the Government is reluctant to act as a promoter and that is also a problem. The Government is not willing to act as a promoter. If the revival package is made, if it is found techno-economically viable and if it is declared by the operating agency, then it becomes the duty of the operating agency to invest that money. There has not been a single case of revival where financial institutions have agreed to give term-loans. What are they doing now? For any revival package prepared by the experts, they will say, "This is not techno-economically so that financial institutions are not called upon to financial help. Let the Government take the responsibility. The Government will say, "The operating agency is not taking it as viable; how can I give the money?" Can you cite an example where the term-loans have been given by the financial institutions for revival? So, the banks are not going to give the money. The Government does not want to act as a promoter. Then, why should they talk about revival packages? Ultimately, it comes to one point that the Government wants to give formal financial inputs to these undertakings through these

financial institutions so that they are left to die a natural death. One may call it a mercy killing. If the working capital or the budgetary support is not being given from the Ministry of Finance during the revival process, before the package is finalised by the BIFR, they cannot survive. All this *tamasha* need not continue. Let the Ministry of Finance decide that they will not allow these public sector undertakings to run. Let them decide it once for all.

Let them declare, "We will not give the money. Let these PSUs go to hell. Let us not have this *tamasha* of allowing them to die a natural death." and all that.

I will mention one more point. I have been told by the banks that they first want to know whether the asset quality norm was okay or not and whether it would be a bad money and whether there will be returns or not. I have figures. I have names of such takers. In the case of a particular bank, namely, the Corporation Bank of India, Rs. 24 crores are due to it. Who are the people who are supposed to give this money? I know it. I will leak it out. This money has been written off as bad debts. I will give you the list. If any case is closed by them, every debtor's name will appear in the newspaper. For flouting the Secrecy Act, if you want to put someone in the jail, you put him. I want to say bad debts of crores of rupees are being written off whereas money is not being given to the public sector undertakings. Thank you very much.

THE DEPUTY CHAIRMAN: Was it your maiden speech?

SOME HON. MEMBERS: Yes. ..*(Interruptions)*...

THE DEPUTY CHAIRMAN: I did not know that it was his maiden speech. Anyway, I congratulate him for that.

Now, Shri Gurudas Das Gupta. It is not your maiden speech. So, you cannot take a long time.

SHRI GURUDAS DAS GUPTA (West Bengal); Madam Deputy Chairman, it is always a matter of pleasure to be in contact with the hon. Finance Minister, whether it is on the ATR or the BIFR. The point that we are discussing today is that the Ministry of Finance is withholding supply of money and funds to the public sector undertakings and that causes a severe strain and ultimately results in the closure.

Despite the assurance given to the Parliament by the Prime Minister that the PSUs have a crucial role in the national economic development; and despite the Prime Minister saying on a number of occasions that liberalisation has a human face, I am constrained to put across my allegation that the Ministry of Finance is seeking to play a pre-determined role in dismantling the system of the public sector in the country. It is a pre-determined role. It is being done by withholding funds to the public sector. This is being done by prolonging the process of decision-making. It is being done by sending out discreet signals to the financial institutions to downright defy the directives of the BIFR on financing of the public sector units. I believe once upon a time, maybe three years before, when the Government had just come into power, there was a policy of consensus. Now, it seems the policy of consensus has given way to a policy of confrontation. The Government may be in majority in the other House and it doesn't need to subscribe to the policy of consensus. It is obvious that the Finance Ministry is acting at somebody's behest.

At whose behest they are acting, it is for the nation to understand. But my point is that by ruining the morale of the Indian working class national development cannot be attained under the private sector. If facts tell out the truth, then, it is true that the Minsitry of Finance is bent upon closing down a number of public sector undertakings in the country; and they make the revival process absolutely an impossible job. I do

not want to speak on behalf of the trade unions. I am speaking on behalf of the colleagues of Shri Manmohan Singh. I don't speak for the trade unions. It is not my allegation. What are his colleagues saying about him? Is it not true that the Ministry of Finance is persistently ignoring the recommendations of the nodal Ministry and turning down their proposal? Therefore, in this background, I am constrained to say that an alternative centre of power is emerging within the present system of Government which rules the country.

Madam, let me go to some of the notes that some of the Departments presented to the Ministry of Finance. Let me quote:

"During various review meetings of PSUs taken by the Secretary, Heavy Industry, some of them have projected the need to augment budgetary support, non-Plan. Accordingly, proposals for providing additional non-Plan funds on a short-term basis, pending finalisation of the revival plan were considered."

This was essential to enable them to carry forward the operation of the companies because they were facing the working capital problem as Banks had stopped advancing money from the Cash Credit Account. Mind it, Madam, the note is being submitted by a particular department of the Government and it says:

> "The proposal in respect of the following cases was sent to the Ministry. The Ministry of Heavy has sent to the Ministry of Finance specific suggestions involving eleven leading public sector units of the country not situated only in West Bengal."

What has been the response? The Heavy Enginnering Corporation, Ranchi suggested Rs. 20 crores. What was the need? The need was to reduce the inventory and finalise the turn-round package. Secondly, the Bharat Bhari Udyog suggested Rs. 20 crores which was not agreed to by the Government and the Department of Industry was asked to find out savings within its own position. The Bharat Jatri Nigam, Allahabad, suggested Rs. 3.8 crores. It was not agreed to due to financial constraint. The Cement Corporation of India suggested Rs. 55 crores. But the file did not reach back from the Finance Ministry, which means, the Finance Ministry is sleeping over the file so that the process of revival is further prolonged. The total is eleven units is involving Rs. 150 crores which includes HMT also. Even on Rs. 150 crores revival package, not the revival package, but to meet the need of additional funds to run these units before the finalisation of revival package is done, the Finance Ministry did not agree. And what is the comment? "Thus, it would be observed that the Ministry of Finance have not agreed to any additional funds for any of the PSUs at this stage." I am not blaming you. This was what his colleagues said about him. Let him stand the criticism of his own colleagues. It is only in the case of VRS that Dr. Singh has agreed to provide funds for the Voluntary Retirement Scheme for involuntary retrenchment of the workers. But he is not ready to give funds for promotional activities of the public sector undertakings. Madam, at no point of time, these units have been found to be non-viable because the Nodal Ministries do not consider these units to be non-viable. It is up to the Ministry of Finance to decide about the viability. If that is so, then the Finance Minister will have to decide about the viability of his own Government. In the beginning of the month of August, there was a meeting of the Ministerial group where the hon. Minister of Finance was present and the Deputy Chairman of the Planning Commission was also present. In that meeting, some of his colleagues raised the point whether he is going to sanction funds under the Non-Plan Schemes for the public sector units which are so essential for the country. Nothing so far has emerged from that meeting and, therefore, I believe that the Ministry of

Finance has taken a political decision to dismantle the leading public sector companies of the country. At whose behest? It is for him to clarify. This was the Ministry of Industry. What about the Ministry of Textiles? Let me quote.

"The Special Tripartite Committee, appointed by the Ministry of Labour, has already approved the turn-round strategy, based on the modernisation scheme, prepared by the Textiles Research Association in April 1994. Till this is approved by the Cabinet and implemented, it is necessary for the Government to immediately release funds to ensure that the mills are at least operating at a reasonable level." This was the recommendation of the Tripartite Committee and it awaits the sanction of the Cabinet. They wanted funds till it is finalised or a view is taken by the Government. The funds have not been released by the Ministry of Finance. What is the situation? In West Bengal, eleven textile mills are working at 5% of their installed capacity due to non-availability of funds. The workers of the public sector undertakings, numbering 10,000 have not received their wages and salaries for the last two months. In this connection, we had the matter interacted with the Ministry of Labour and the Secretary of Labour have taken a positive decision that the default in payment of wages in a public sector undertaking is a violation of the law of the country. Even then, it is because of the position taken by the Ministry of Finance that not only the mills are running at only 5% of the installed capacity but also the workers are not being paid their wages. The Government is following its own line and the responsibility for the same should rest on the Ministry of Finance.

Regarding the National Jute Manufacturing Corporation, the Government has not released the money. Nor has the Government decided that it should be closed down. Because of the refusal of the Government to release funds, the National Jute Manufacturing Corporation is working at 35% of its installed capacity and the workers, numbering 40,000, have not been paid wages for the last one month.

Madam, I would like to draw your attention to the statement of the Chairman, IRBI is the Industrial Reconstruction Board of India which was set up by the Government of India to find funds for the sick units of the country. The Chairman of IRBI has recently categorically stated—definnitehy under the instruction of the Ministry of Finance—that the IRBI no longer takes any more sick cases from the BIFR. A Government of India undetaking, the Chairman of a Government of India undertaking, takes a stand that it is not going to entertain the schemes for revival sent by the BIFR. Under whose instruction? This is not the end. This is the beginning.

SHRI S. JAIPAL REDDY (Andhra Pradesh): Who else, except the Finance Minister?

SHRI GURUDAS DAS GUPTA: Only yesterday I have received a letter from the Joint Secretary of a pharmaceutical union in Calcutta. The letter is in Bengali. What does it say? It says, "Our package has been agreed upon by the Government. But the Government has refused to pay funds from April to September. The package shall get implemented from the month of October." But from April to September no money will be given, which means that the load of payment of idle wages and the load of underutilisation of the production capacity are going to further accentuate the acutences of the financial crisis of a unit which, in the opinion of the Ministry of Finance, is fit enough for denial. This is not the only thing. So far as the other cases are concerned, the Ministry of Finance is taking an anti-labour stand. I am referring to a letter written by his own colleague, Mr. Bhardwaj. Mr. Bhardwaj wrote a letter to Mr. Manmohan Singh some time back. What was the necessity? Because we

approached the Government of India. We said that there was a company known as Indian Cable where the majority of the shares were owned by the public sector. It is a private sector company but actually it is a public sector company because the majority of the shares are owned by the public sector undertakings. The management of INCAB was a delinquent management. It defaulted in the payment of provident fund. It closed down the factory. It did not pay the wages. A criminal case was started against it. But the factory was viable because the products of the unit had a stable market in the country. We approached the Finance Ministry to seek the help of the public sector undertakings to change the management of INCAB and Mr. Bhardwaj, being inspired by our suggestion, wrote a letter as far back as on 27th June. What did he write?

> "My Dear Dr. Manmohan Singh, you are aware that 50 per cent of the shares were held by the financial institutions. I had earlier proposed that the financial institutions may be asked to consider change of the Chairman and the Deputy Managing Director of the company. Copies of my earlier letters are attached. I would, therefore, request you to have the matter examined."

There has been no response from the Ministry of Finance. As a result, the company has gone on liquidation and more than 4,000 workers are on the verge of completed starvation arising out of the non-payment of wages. Therefore, the point is, it is not the allegation of the trade unions that the Minister of Finance is in the dock not because of ATR only, he is in the dock because of his attitude that he has taken towards the public sector that was built up with India's money and that constituted a part of our Indian strategy for development. While the Banks have been asked to be so hard towards the public sector undertaking why is it that the banks are found to be so soft towards the people in high offices? The banks are hard towards the public sector. They cannot give money without the Government guarantee. But, how could a particular public sector bank of the country remit Rs. 9 lakhs? Is it because she was the wife of the Minister of State for Finance of the country? If the wife of the Minister of State for Finance of the country can enjoy the privileges of a public sector undertaking, what is.....

THE DEPUTY CHAIRMAN: Mr. Gurudas Gupta, May I remind you one thing? You are talking on a policy matter. *(Interruptions)*.

SHRI GURUDAS DAS GUPTA: Madam, I am talking about the double standard.

THE DEPUTY CHAIRMAN: Why should you mention the names of people or the instances of individuals?

SHRI GURUDAS DAS GUPTA: Madam, I did not mention any name. I am only saying, while important people are involved, banks are soft. But, while the public sector is involved, the banks are very hard. This is the double standard and it has arisen out of the policy that Dr. Manmohan Singh is pursuing at the present moment of time. Therefore, while concluding.....

THE DEPUTY CHAIRMAN: I thought you have concluded.

SHRI GURUDAS DAS GUPTA: Madam, I am on the verge of conclusion. While concluding, I charge the Government of having worked out a premeditated strategy for closing down the public sector. That is why they are taking recourse to different tactics. Sometimes, it is the BIFR which is holding on to negotiations for a long time. Sometimes, it is the Government of India which is not sanctioing money. Sometimes, the Government of India as a promoter, do not appear before the BIFR. Previously, I used to hold the BIFR exclusively responsible for the closing down of the public sector. Now, I

don't do so. Even if the BIFR takes a stand to accelerate the process, it so because of the stand of the Government of India, particularly the Ministry of Finance that things are not allowed to reach a stage of settlement. They don't even attend the meetings. I was present in the meeting of the BIFR. When the BIFR judges asked the representatives of the financial institutions, "To what extent they can finance the plan for revival", they kept quiet. They did not make any recommendation. On the other hand, they said, "It is according to the policy that we will have to decide to what extent we can meet the additional obligations even for refinancing, even after the BIFR had pronounced the Judgement." Therefore, it is only a predetermined position and the pre-determined position arises out of the political status and political policy that some of the Members of the Government of India have definitely propounded within and outside the country. That is why I protest and I believe that I am not alone in my endeavour to protect the public sector undertakings. There are many friends on the other side and even within the Cabinet and even among his friends. Therefore, I believe, it is better if Dr. Manmohan Singh gives up that policy and takes to the national policy that India has been pursuing for a long time. Thank you. (ENDS)

SHRI S. JAIPAL REDDY: Madam, as a protest against the policies of the Government in this area, the Members of the Congress party have boycotted the House, but for a few exceptions.

THE DEPUTY CHAIRMAN: Because you are going to speak.

SHRI PRAMOD MAHAJAN (Maharashtra): Madam, it is very unfortunate that when such an important issue is being discussed..... *(Interruptions)*....

THE DEPUTY CHAIRMAN: Mr. Mahajan, your name is here. I am going to call you later.

SHRI S. JAIPAL REDDY: Madam, but for two Congress Members, the entire benches of the ruling party are vacant.....*(Interruptions)*.....

SHRI NILOTPAL BASU (West Bengal): Mr. Jaipal Reddy, it is a systems failure.

SHRI GURUDAS DAS GUPTA: Madam, it is a failure of the conscience.....*(Interruptions)*.....

SHRI JAGESH DESAI (Maharashtra): No, Madam. These remarks should not have been made. It is the Congress Party, under Pandit Jawarharlal Nehru, Shrimati Indira Gandhi, Shri Rajiv Gandhi and even today, under Shri Narasimha Rao, which is helping the public sector. So, please don't make such remarks ...*(Interruptions)*... We want to extend more help. I am going to plead for that.

श्रीमती सुषमा स्वराज (हरियाणा): कांग्रेस के बैंच खाली क्यों है, इसके बारे में बोलिए जगेश जी। कहां चले गए, इसके बारे में बोलिए।

SHRI GURUDAS DAS GUPTA: Why is INTUC pleading along with us for the revival of the public sector units? It is because of the empty benches of the Congress Party. It shows in what way its conscience has failed.

THE DEPUTY CHAIRMAN: Let us not discuss it now because Mr. Jagesh Desai has to speak now and there are also two other Congress Members. We would know that their opinion is. The Congress Members may be absent because they might have gone for lunch...*(Interruptions)*..... Mr. Pramod Mahajan, I will call you. Now I have to take the sense of the House.

SHRI S. JAIPAL REDDY: Madam, look at the Opposition benches and the ruling party benches.

THE DEPUTY CHAIRMAN: I will look at everything. Now the thing is, if the House so agrees, i.e. if the Members present in the House agree, to dispense

with the lunch hour, we will dispense with the lunch hour so that we can finish the Calling Attention Motion, discussion on the Appropriation Bills of the railways and the Short Duration discussion. There is a lot of business today.

SHRI PRAMOD MAHAJAN: Madam, there is Zero Hour.

THE DEPUTY CHAIRMAN: Zero Hour is not there today.

SHRI PRAMOD MAHAJAN: No, Madam.

THE DEPUTY CHAIRMAN: Shrimati Alva told me—this is what Madam Alva told me—that after the completion of the Calling Attention Motion which we should do within a time of 1½-2 hours, we would not take up the Zero Hour mentions but instead take up the discussion on the Appropriation Bills. This is what she has told me.

SHRI PRAMOD MAHAJAN: When?

THE DEPUTY CHAIRMAN: I don't know. But this is what she told me.

श्री सतीश प्रधान (महाराष्ट्र): मैडम, कुछ भी पता नहीं चल रहा है। (व्यवधान)

SHRI PRAMOD MAHAJAN: After the Calling Attention Motion, it was decided to take up the Zero Hour mentions.

THE DEPUTY CHAIRMAN: I know that. But she came to me subsequently and told me.

SHRI PRAMOD MAHAJAN: Who?

THE DEPUTY CHAIRMAN: Shrimati Alva.

SHRI PRAMOD MAHAJAN: Madam, we talked to the hon. Chairman in your presence.

THE DEPUTY CHAIRMAN: I know that. There is no need to be agitated. I am saying just what I have been told by Shrimati Alva. She must have spoken to somebody.

SHRI PRAMOD MAHAJAN: No, she has not spoken to anybody. Shrimati Alva cannot unilaterally decide.

THE DEPUTY CHAIRMAN: I will find out the matter from Shrimati Alva because she is not in the House just now.

SHRI PRAMOD MAHAJAN: Madam, after the Calling Attention Motion, it was decided in the presence of the hon. Chairman...*(Interruptions)*...

THE DEPUTY CHAIRMAN: I know.

SHRI PRAMOD MAHAJAN: About lunch hour, we can decide. But after the Calling Attention Motion, the Zero Hour mentions should be there and only then the Appropriation Bills should be discussed. It should not be changed.

THE DEPUTY CHAIRMAN: That we will see. The thing is, she told me that she was concerned over the non-completion of the Appropriation Bills. You had all left by then. I told her to discuss the matter with the other Members...*(Interruptions)*...

SHRI S. JAIPAL REDDY: Madam, whatever was decided in the presence of the Chairman and the Opposition Leaders should be adhered to.

THE DEPUTY CHAIRMAN: I would adhere to whatever was decided by the Chairman. But I am only saying that when you people had left the Chairman's Chamber, Mrs. Alva expressed concern over the non-completion of the Appropriation Bills—they are pending—and requested the Chairman to shift the Zero Hour. I suggested to her that she and other Members who asked for the Zero Hour mentions should discuss the matter with the Chairman and inform me after that. This is the thing. I will abide by exactly what the Chairman has said, not an inch here or there, until and unless the House so decides because after all the House is supreme. बोलिए, अब आप क्या कह रहे हैं? आप बोलेंगे इस पर?

श्री प्रमोद महाजन : नहीं नहीं। मुझे इस में बीच

में उठना नहीं चाहिये मैं समझता हूं लेकिन संसद सदस्यों की प्रतिष्ठा का सवाल है इसलिए मैं केवल आपसे कुछ सेकेंड चाहूंगा कि कुछ समाचार-पत्रों में यह छपा है कि विपक्ष ने जो संसद का बहिष्कार किया था और जब इस बहिष्कार को वापस लिया गया तो कुछ समाचार-पत्रों में यह छपा है कि विपक्ष ने बहिष्कार वापस लिया है और जो निर्णय हुआ था, उसमें सरकार और विरोधी दल में ऐसा समझौता हुआ है कि जिन दिनों तक विपक्ष संसद से बहिष्कार कर रहा था, विपक्ष के किसी भी सदस्य ने हाज़िरी-पत्र पर किसी प्रकार के हस्ताक्षर नहीं किए। और चूंकि हमने हस्ताक्षर नहीं किए, इसलिए दैनंदिन हम किसी भत्ते के अधिकारी होना हम नहीं चाहते हैं, लेकिन कुछ समाचारपत्रों में यह छपा है कि सरकार और विरोधी दल में यह समझौता हो चुका है, भले ही वह गैरहाज़िर हों। इस प्रकार की खबरें छपी हैं। इसलिए मैं चाहता हूं कि पीठासीन अधिकारी की ओर से स्पष्ट हो कि इस प्रकार का कोई समझौता नहीं है और बिना हस्ताक्षर किए कोई विरोधी दल का सदस्य इस बहिष्कार का पैसा नहीं उठा रहा है।....

...(Interruptions)...

SHRI GURUDAS DAS GUPTA: Madam, it is false and malicious *...(Interruptions)...*

THE DEPUTY CHAIRMAN: He has asked me. Let me check it up *....(Interruptions)...*He wanted the Presiding Officer to say something. The situation is that anybody who doesn't sign the Book and doesn't attend the House, doesn't get the DA. So, there is no question of any payment of DA. And so, the agreement also cannot be there. This news that has appeared in the paper is wrong. This is...

श्रीमती सुषमा स्वराज : समझौता नहीं, इस विषय पर कोई चर्चा ही नहीं हुई, यह है सच्चाई। यह विषय उठा ही नहीं। यह विषय चर्चा करने के योग्य भी नहीं था। अगर विपक्ष बहिष्कार करता है तो भत्ता खोकर ही करता है। इस विषय पर तो कोई चर्चा ही नहीं हुई।

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRIMATI MARGARET ALVA) : Madam, I want to clarify that *...(Interruptions)...*

THE DEPUTY CHAIRMAN: No. this is another matter. This is the matter about payment of DA....*(Interruptions)...*

SHRI PRAMOD MAHAJAN: No. You spoke, but then you must speak to me. I ask the Chairman in the House and you go to somebody and decide it.

SHRIMATI MARGARET ALVA: I am sorry. I spoke to the chairman, Madam, because after he had left he told me, "You speak to the leaders and if they are agreeable, you postpone it"

SHRI PRAMOD MAHAJAN: No, we are not agreeable.

SHRIMATI MARGARET ALVA: I immediately spoke to Mr. Sikander bakht who was here and Mr. Sikander bakht said, "We have absolutely no problem; you can shift it". Then I spoke to Mr. Gujral who was here and he also agreed....*(Interruptions)*...I went to Mr. Gurudas Das Gupta and I told him that the Chairman wanted to meet him for a minute because he had said that he would tell Mr. Gurudas Das Gupta also. I conveyed the message to Mr. Gurudas Das Gupta saying that the Chairman would like to speak to him for a minute about the Zero Hour after the Question Hour. You said, "I will go and meet him". I left it at that. But Mr. Gujral is here. I requested Mr. Gujral and he also agreed. I did go to all the parties here and the Leader of the Opposition clearly said, "We have absolutely no problem"...*(Interruptions)...*

THE DEPUTY CHAIRMAN: No, she has clarified the whole position *...(Interruptions)...*

SHRI GURUDAS DAS GUPTA: I met the Chairman. The Chairman only told me that the number of Zero Hour Mentions should not be 11. It should only be 5. He never mentioned to me that it should be postponed *...(Interruptions)...* And the Secretary-General also *...(Interruptions)...* It was never told to me. Therefore, it should be according to

the decision of the Chairman ...*(Interruptions)*...

SHRIMATI MARGARET ALVA: The Chairman exactly told me, "Just mention it to the leaders" ...*(Interruptions)*...

SHRI PRAMOD MAHAJAN: That was never told by the Chairman to me.

SHRIMATI MARGARET ALVA: Then, I am sorry, Madam ...*(Interruptions)*...

THE DEPUTY CHAIRMAN: Ms. Alva has clarified her position ...*(Interruptions)*...

SHRIMATI MARGARET ALVA: He said, "I forgot about this Bill" which was, as I said, half done. For the discussion on sugar issue yesterday, We postponed the Railway discussion because they wanted it. In the evening, the Members said that they did not want the reply yesterday and that we should have it later; we agreed. So, I said that I only want that a financial matter like the Appropriation Bill should get priority and he said, "I agree with you, but it just slipped my mind that day; we will..."...*(Interruptions)*... If you want to go ahead, please go ahead, but please do not say that I have not ...*(Interruptions)*... Then, I raised that the Appropriation Bill should come first. We have no problem. You can check it up with Mr. Sikander Bakht. If you have differences of opinion with your own leader, it is another matter ...*(Interruptions)*.....

SHRI PRAMOD MAHAJAN: Don't teach me about differences and all that. Don't use political language ...*(Interruptions)*...

SHRIMATI MARGARET ALVA: Madam, but he agreed ...*(Interruptions)*...

SHRI PRAMOD MAHAJAN: Don't use this political language. I have full respect for Sikander Bakht ...*(Interruptions)*...

उपसभापति महोदया जब चेयरमैन के सामने हम लोग बैठे थे, उस समय आल्वा जी वहां उपस्थित थीं। अगर गवर्नमेंट बिजिनेस का उन को इतना ख्याल था तो.....

SHRIMATI MARGARET ALVA: We had mentioned it...*(Interruption)*..

श्री प्रमोद महाजनः एक मंत्री चुपके से चेयरमैन के पास चला जाए। चेयरमैन के पास से मेरे नेता के पास आए। जब उन को मालूम ही नहीं है कि मैंने क्या कहा है। अगर नेता को पता ही न हो तो उनके डिसिप्लेन में आप मेरे को बांधने की कोशिश करें, मैं अभी सिकंदर बख्त जी को बुलवाकर आप को कहता हूं कि वह नहीं मानने को तैयार है। मुझे लगता है कि यह तो.....You can't cook the things like this ...*(Interruptions)*...

उपसभापतिः इसमें झगड़े की क्या बात है....**(व्यवधान)**

श्री प्रमोद महाजनः आप बाद में चेयरमैन से मिलो, अकेले मेरे लीडर से मिलो और हमसे कहो कि बात हो गई.....**(व्यवधान)**

SHRIMATI MARGARET ALVA: You were there when the Chairman told us, "You talk to the leaders and then take a decison. I told the Secretary-General also that the Chairman had asked us to speak to the leaders.

THE DEPUTY CHAIRMAN: I say exactly what happened, that Mrs. Alva did mention before the Chairman that the Railway Appropriation Bills were items of financial business and they were pending and they should have precedence over other items of business and the Chairman realised and said that he is going to the House and she should speak to the leaders. In fact, I called her and asked her what has happened when I took over the seat to find out what the situation is. She said that she has spoken to everybody. So, I announced the same thing. The House is supreme. If you want to discuss anything else you could discuss. We could send the Railway Bills without discussion.....*(Interruptions)*....

SHRI GURUDAS DAS GUPTA: Madam, it is not the question of holding you up. We shall cooperate with you. As long as it is necessary, we shall see that

all your business is done. But, please don't change the schedule.

THE DEPUTY CHAIRMAN: Who is changing the schedule?

SHRI PRAMO MAHAJAN: Madam, everyday it is happening. अगर मैं उपस्थित नहीं होता तो मुझे पता नहीं चलता। जब चाहे आप शेड्यूल बदल दें ऐसा नहीं हो सकता। एक बार जो शेड्यूल तय हुआ उसको दिन भर के लिए रखो **(व्यवधान)**

उपसभापतिः हो गया। इतना गुस्सा नहीं करिये। हर आदमी अपनी जरूरत के लिहाज से बोलता है।

श्री प्रमोद महाजनः उनकी जरूरत है मेरी भी जरूरत है जीरो अवर की। **(व्यवधान)**

उपसभापतिः इसमें गुस्सा नहीं करना चाहिए। आखिर हाउस हमारा और आप सब का है। यह सीधा चले। अच्छी तरह से चले यह आपकी चिंता है, मेरी भी चिंता है, उनकी भी चिंता है। अभी संजय डालमिया **(व्यवधान)**....

श्री गोविन्दराम मिरीः मुझे बहुत महत्वपूर्ण बातें करनी थी....**(व्यवधान)**

उपसभापतिः अब बात खत्म हो गई। **इसे** जीरो अवर न करिये **(व्यवधान)** संजय डालमिया जी।

SHRI SANJAY DALMIA (Uttar Pradesh): Madam, I would like to begin my deliberations by.....*(Interruptions)*....

SHRI VISHNU KANT SHASTRI (Uttar Pradesh): Shri Satish Agarwal had to begin the discussion ...*(Interruptions)*...

THE DEPUTY CHAIRMAN: His name is there....*(Interruptions)* Don't put *tippani* on the Chair. I run this House and I am conscious of it. I have got a list before me. For what I did call him? He got up on his own. I did not call him. He got up to say and walked into the House without realising what is transpiring and you just start complaning to the Chair about my working. I am sorry, it irritates me everyday.

SHRI VISHNU KANT SHASTRI: No, Madam I never ...*(Interruptions)*...

THE DEPUTY CHAIRMAN: He was talking about the *bhattas* of the Members of Parliament when he got up. I did not call him to speak on the Calling Attention because I have a list before me. I dont' speak from my hat, which I don't wear.

SHRI SANJAY DALMIA: Madam, I would like to begin my deliberations with the background of BIFR. Madam, when the decision was taken to establish the BIFR the idea was that the companies in the private sector should be helped because initially it was started only for the private sector companies. The basic idea was that those companies which are not in a position to meet their day-to-day liabilities should be seen by an Expert Group and then a decision should be taken as to whether these companies are in a position to run viably in future. Why was this decision taken? This decision was taken because even in private sector companies a lot of public money is involved, whether by the banks or the financial institutions or the capital market funds, and also what is involved is the employment of the industrial workers. So, this decision was taken and for 5-6 years this institution was mainly taking into account the sickness or the viability of those private sector companies which were not able to meet their day-to-day liabilities. In 1991, the Act was amended and it was decided, since the basic idea was the public funds how not to waste the public funds to include the public sector companies also in it because in the public sector campanies the public fund is involved in a much greater degree and also employment of the industrial labour is on a much larger scale. So, in 1991, the Act was amended and the public sector companies were included with the idea that those companies which were not in a position to meet their day-to-day liabilities would also be examined by the BIFR.

Madam, if it is found that they are not viable, they are not in a position to meet day-to-day liabilities even after infusing

funds, there is no point in giving further support and such companies should then be handed over or closed down, whatever it is. A cement industry in U.P. was losing money and is still losing money and in the Bengal Potteries, for example, ten lakhs of rupees of wages is being paid as wages for the last so many years even as the company is closed down. The wage bill is on and there is a liability of 40 crores of rupees which is also public money. Now, what I was saying was that this decision was taken to protect the public funds to make good the losses or to stop further losses. Now the point is that if a decision has been taken that we do not want good money to go after bad money, if a company is sick then what has to be done. I have some ideas on some of the things in the private sector. I come from the private sector and that is why I want to say certain things about the private sector and I want to make a proposition to the hon. Finance Minister about it beofre I go to the other aspects of the public sector.

Now....

THE DEPUTY CHAIRMAN: I am sorry. This is not a debate. It is a calling attention motion. Please listen to me. You speak on the subject and ask questions. Do not make a speech on the Industrial Policy.

SHRI SANJAY DALMIA: Madam, I am only saying that the matter is connected and that is why....

THE DEPUTY CHAIRMAN: Many matters are connected. Please be brief I have to conduct the business.

SHRI SANJAY DALMIA: I will not take much time. Because the matter is connected, I am saying something on which you would like to support me. That is why, if you care to listen...

THE DEPUTY CHAIRMAN: You can give notice for a calling attention motion on the private sector separately. There is no problem.

SHRI SANJAY DALMIA: I come from private sector. Madam, the basic question is how to stop wastage of public money and that was the idea. What is to be done to the people who have made the company sick? That is why I am just making a proposition. It has nothing to do with the private sector ...*(Interruptions)*... That is what I am trying to say. I am making a proposition to the Finance Minister that the companies which are sick in the private sector where the wages of the workers are involved, in such companies or the group of companies, the people who have made those companies sick — I think I would have the support of the whole House — should not be allowed entry into any of the financial sectors, bank, insurance or mutual funds. They should not be allotted any new ventures till they pay the wages of the workers. Am I right? So, I am only saying that this is the proposition I am making for the private sector. The same position is for the public sector. The point is that if the company is sick, unless the workers' wages are the first priority, the banks and the financial institutions, whoever they are, should first make money available to pay the workers. There are companies which are running under losses and the loss is much more than the wages which they have to pay. My proposition is that what is the use of running a company where the loss is more than the wages? It is much better to keep on wages and not running the unit because this is going to save at least some amount of the loss. This is what I am trying to say. This is something which is in the national interest. I am not saying that you should not pay the wages to the workers. I am saying, you pay the wages to the workers and stop other losses. There is no point in continuing with the losses. After all, this year we have made a provision of Rs. 5,000 crores to make good the losses of the public sector banks as the first instalment. I know provision for another 10,000 crores of rupees is to be made in one or two years to take care of the losses of the public sector banks. We know that the losses of the public sector

run into several hundered crores of rupees. They are much more than wages which we have to pay them. The point is that we are running into loss of crores of rupees. The wage bill is much smaller. Is it not prudent to pay the wages back and stop that loss? What is the use of running a company which is not going to stand on its own legs? What is the use of running a company which is going to be making losses year after year. What is the use of running a company which is going to run to fifteen, twenty or thirty per cent of the installed capacity?

SHRI JIBON ROY (West Bengal): Madam.....

THE DEPUTY CHAIRMAN: Please do not interrupt. I am writing your name, Mr. Roy. I will give you some time at the end.....*Interruptions)*

SHRI JIBON ROY: Can I ask some clarifications since my name is not there?

SHRI M.A. BABY (Kerala): Madam, if we take the philosphy of Dalmiaji, then the Central Government has to wind up because it is borrowing from abroad and other sources. We have to close the Central Government if we have to take that philosphy.

SHRI V. NARAYANASAMY (Pondicherry): We are not following it as indiscriminately as you are doing in West Bengal.

SHRI SANJAY DALMIA: Madam, I was saying, "what is the use of running companies at fifteen, twenty or thirty per cent of the installed capacity?" What is the use of running company which has outdated machinery, outdated technology, outdated equipment? It is much better to modernise it. Look at the conditions of the National Textiles Corporation Mills. Madam, some of the mills which have been modernised are in a position to meet their day-to-day liabilities. They are in a position to pay wages to their workers. They are able to generate resources and income. But in the case of the companies which are very very old, whose equipment is old, whose technology is old, what is their condition? They are running into loss year after year, every year losses after losses. There is no way those company can stand on their own legs unless they are modernised. So, the point is that we must modernise them. But what happens if after modernisation they are not viable? Then what to do? Should we go on running those companies? Or should we find the way, the means, to close down those companies; take that money, invest in that company which is more viable so that we generate employment, we generate income? That is the basic character and that is the basic philosphy. That is what I understand by establishing the BIFR whether for the private sector or for the public sector. But what I am saying is that there is no use of spending money year after year on loss-making companies and not using the same resources for investing in proft-making companies and in those companies which can stand on their own legs. Thank you, Madam.

THE DEPUTY CHAIRMAN: I wish everybody is that brief.

SHRI JAGESH DESAI: Madam, Deputy Chairperson, when the public sector also came under the purview of the BIFR, we were under the impression that it will be reviewed by the export authority as early as possible so that those units which are sick but can be made viable will function very quickly. But, unfortunately, Madam, I am very sorry to say about that, that was done in 1991. Today, it is 1994; three years have elapsed and after examination—most of them have not been examined at all or taken under consideration—only one has been cleared in the Centre and five in the State sector. In the meanwhile, Madam, recently as Convenor of a Study Group of the Public Undertakings Committee, along with my friend Shri Mukherjee, I had gone on a tour. Everywhere we found that even the sick mills which could be made viable but because they had been referred to the BIFR were

denied funds and banks were not giving them funds. That was the complaint at many places. So, the Finance Minister may say that the banks may determine case by case whether to give finance or not. But, unfortunately, a message has gone very wrongly to them—once it is referred to the BIFR, please do not give them finances. That message has gone. What you said is, 'you give it case by case'. But in practice, it is not happening. That is why I request the Finance Minister that till the BIFR determines that it is not viable, till then, finance must be given to them. Otherwise, if it is not given within three years, you are going to see that they will totally make it sick and it cannot be revived. As such, funds must be made available. Sir, we have spent so much on the infrastructure. Should that all go waste? Secondly, we are committed, our Party is committed, in the Surajkund Resolution we have decided that wherever public sector units can be made viable, we will give them money from the funds which we are generating from disinvestment. We said not only for that but we will give funds even for establishing new industries in the public sector. I do not want to go to that extent. I do not want any new public sector unit at present. What I want is, whatever units are there which are making losses but which can be made viable, they should be given help. If three years are taken to find out whether it is viable or not, I think, by that time, everything will be over. So, I request the Finance Minister that first of all you have to give instructions, your Banking Division should give instructions. "Case by case" does not mean that you will have a negative view. Otherwise, why were they referred to the BIFR? You have referred them to the BIFR. That means, there is a chance of viability.

Sir, in the last two or three years, the public sector is doing much better than even the private sector. A study was done. They have pointed out that as regards profit, as regards turnover, are regards even efficiency, they are better than the private sector. That study was done by the Centre of Economic Research or whatever it is. I do not remember the correct name.

SHRI SATISH AGARWAL (Rajasthan): Centre for Monitoring Indian Economy.

श्री संघ प्रिय गौतम (उत्तर प्रदेश): अगर आपकी बात सही है, फिर प्राइवेटाइजेशन क्यों कर रहे हैं? **(व्यवधान)**

SHRI JAGESH DESAI: Sir, I have raised this issue in this House earlier. Sir, the profits of public sector in 1992-93 had gone up 15 per cent, and the sales had gone up by 9 per cent. But, as regards the private sector, they have gone down. In spite of that, are we going to help the public sector or not? We should help them. I have read in the newspapers today, and I am thankful to you that you have now allowed even the NRIs and financial institutions to purchase the bonds of the public sector. I am happy about that and I think you for that because the public sector is not given the funds out of the disinvestment funds. They are not allowed. Till today, that decision is not taken. But, Sir, most of the public sector undertakings have got surplus lands, that too in prime cities like Bangalore, Hyderabad, etc. Sir, when we had gone to Bangalore, the HMT told us, "We are not getting funds. We are not getting orders from even the public sector units for which the HMT was established." It was established for catering to Defence and others. And they said, "We are not getting the orders. As such our position is not good. Even then, we are trying our best." Sir, I say that they are doing much better. In their watch factory premises, they have got excess land. They want to sell it. Are we going to give them that help or not? Are we going to exempt them from the Urban Land Ceiling Act or not? They can get resources out of this. They can be made viable.

Madam, I would humbly request the hon. Finance Minister to see that these

undertakings are helped. They are our own children. Do not starve them. Of course, I know that the budgetary allocation for the public sector undertakings has been going up. *(Interruptions)* They are our own children. We should help them. I know you are helping them to a certain extent. If one says that the Government is not at all helping the public sector, I would never admit that. I have analysed the budgetary allocations. It has been going up every year. Last year, it was increased by 10 per cent. Therefore, we are doing it.

I would request the hon. Minister that while we are making budgetary allocations, at the same time, we have to see that whatever investments we have made result in making them viable. This is how it should be done. I find that after three years, only one unit has been given permission. If they take time, you have to see us to what the alternative is by which you could help them. Instead of allowing the public sector units to run into sickness, we should see that they are helped.

I would ask the hon. Finance Minister to consider all these aspects. Everybody is agitated. The workers are agitated. I had given the example of the National Textile Corporation. Earlier, out of 18, 16 were making losses. Today, most of them are making profits. Only one or two are having cash losses. I am sure, with proper assistance, they can be revived. In the case of Paradip also, in the case of fertiliser, you have allowed financial restructuring to help them come out of their problems. Wherever it is required, financial restructuring has to be done. Wherever it is possible, you should make them viable. You should provide funds for such purposes. The Government should not feel shy of it. One of the reasons given is 'financial constraint'. This should not apply in such cases.

As I pointed out, Madam, they are our own children. Please take care of your own children. Help them. They would definitely give you back in return. They would definitely give back to the Exchequer whatever they can. I am sure about that. I would certainly say that our public sector undertakings are doing better. Maybe, some of them are not doing well. But you have to see the overall picture.

If one says that the return is only two-three per cent, I am not going to accept it. Last year, the profit was Rs. 4,000 crores. You say that this profit of Rs. 4,000 crores is not much on an investment of Rs. one lakh odd crores. When you say this, you are taking into account the equity as well as the loans. I would not accept it. You have to calculate the profit only on the basis of the equity and the reserves and you should not add the loans. If you take into account the loans also, the interest should also be added to the profits. Now, you have got Rs. 4,000 crores after tax. The public sector cannot avoid tax. They cannot avoid excise. They are giving you both. As such, the public sector should be treated with a sympathetic attitude. They are contributing towards our exports. They are giving us returns. I would not accept if somebody says that they are not giving us returns. Of course, there may be some industries. But even there, you have to make them viable.

The main thing is that we should not run down our public sector undertakings. I do not say that the Government is doing it. But your officers are doing it. They are saying it. They are painting a wrong picture of the public sector. They are saying that the public sector is a white elephant, that it is giving a return of just two-three per cent. I want the hon. Finance Minister to dispel this sort of an-impression which has been created in the minds of the people. If you dispel this impression, the people would feel that whatever is being said about the public sector is being said by those who are interested in seeing that the public

sector goes down and that it is these people who are giving this kind of a wrong picture about the public sector.

Mr. Finance Minister, it is your duty to dispel this kind of an impression. I am sure you would take care and extend all assistance as you are doing now. I do not say that you are not at all extending any assistance. I read it in the papers. In regard to public sector bonds, even the non-resident Indians and others are being given permission. Such a permission was not given earlier. This would definitely help them. Such steps should be taken. I am sure the Finance Minister would take them and dispel this kind of a wrong impression that the public sector is squeezing the nation. This kind of an impression should be dispelled. Thank you, Madam.

श्री दीपांकर मुखर्जी: आप इधर आ जाइये दूर हो जाएगा।

उपसभापति: इधर उधर क्या होता है।

It is his allotted seat. he has to speak from his seat. Otherwise, he has to take my permission, not yours'.

श्री गुरुदास दास गुप्त: जगेश देसाई, संघर्ष करो, हम तुम्हारे साथ हैं।

श्री जगेश देसाई: ऐसा नहीं है, मैंने बहुत साफ बताया है कि यह सरकार पब्लिक सैक्टर की जितनी मदद कर सकती है, करती है, करती रहेगी।.....**(व्यवधान)** कोशिश कीजिए और जो रंग इंप्रेशन लोगों के मन में है वह निकाल दीजिए। हमारी सरकार आज से नहीं सालों से कर रही है।

THE DEPUTY CHAIRMAN: Mr. Satish Agarwal. Now, Manmohan Singhji, we are not having the lunch hour. If you like to go and have your lunch, you may ask another Minister to take notes. You can go and have your lunch and come back. Somebody can take notes for you.

SHRI M.A. BABY: Madam, if you agree, in view of the pathetic financial condition of many of the public sector undertakings, we can pass a Resolution to forgo lunch, not only the lunch hour!

THE DEPUTY CHAIRMAN: I don't agree with you because I want to eat my lunch! That Resolution is not coming from the Chair, I can assure you! Now, there are four Members whose names are there, and two are going to make just one point each. Mr. Jibon Roy wants to make one point, and Dr. Naunihal Singh one point. It won't be long. It will take about an hour. So, Manmohan Singhji, if you like, you can ask any of the Ministers to take notes and you can go and take your lunch and come back.

...(Interruptions)...

SHRI SATISH AGARWAL: Madam Deputy Chairperson, through this Calling-Attention the House is discussing the plight of the public sector undertakings, and the hon. Member who spoke prior to me has demanded that funds should be made available for the revival of the sick public sector undertakings from the public sector banks.

Now the demand is to finance the public sector undertakings through another public sector undertaking, which is the bank. I fail to understand this demand at this point of time. The public sector undertakings have come to this plight because of indiscriminate nationalization by every Government, whosoever was in power, during the last 25 years. Initially I was never opposed to the public sector. When I was a Member of the State Assembly I was one person who demanded the taking over of the Nathdwara temple by the Government. Just see, I went to that extent...*(Interruptions)*... I have seen all this during the last 45 years—as a Member of the State Assembly, as a Member of Parliament, as Chairman of the Public Accounts Committee, or even otherwise. Today we are demanding funds from the public sector banks for the public sector undertakings. It is just like एकादशी शिवरात्रि के चपेट में, एकादशी पर भी व्रत है, शिवरात्रि पर भी व्रत है। Public sector undertakings are in the red and public

sector banks are also in the red. Public money is there both in the public sector banks and the public sector undertakings. Then how can the public sector banks help these public sector undertakings? I, at least, fail to understand this. More particularly, as on date the problem is very stupendous. But something has to be done about it. I will suggest a way out later on.

In the initial stages, when the First plan was launched, it was said that the public sector will occupy the commanding heights of economy, and during all these 40 years the public sector continued to occupy the commanding heights of economy. I am not here to denigrate the performance of the public sector. But what is the experience that we have gained? We are now demanding funds from the public sector banks! Genuine demands should be met, Mr. Finance Minister, I want to make it clear. But what is the position of the public sector banks today? I would only quote a figure from the 34th Report, of 1993, of the Estimates Committee of Parliament.

This says:

> "The position in regard to outstanding entries amount in inter-branch reconciliation account of all public sector banks as on 31.3.94 is given below."

The total number of entries outstanding in lakhs is 98,06,000, and the amount involved in non-conciliation of the entires in the various banks, you will be amused to hear, is Rs. 3,56,650 crores. This is the report.

SHRI GURUDAS DAS GUPTA: So, what? Does it mean that the public sector is responsible for it?

SHRI SATISH AGARWAL: No, no, not at all. I am not of that view. Rest assured. I am going to support the demand in my own way.

This is the position of the public sector banks. If Rs. 3,56,650 crores is the amount involved in non-reconciliation of entries in various public sector bansk, the health of the public sector banks is not good, number one.

Number two, Mr. Finance Minister, I am informed that Rs. 38,000 crores are involved in non-performing assets which are more or less bad debts.

SHRI GURUDAS DAS GUPTA: It is because of political ...*(Interruptions)*

SHRI SATISH AGARWAL: I am not defending them. I am simply saying that this is the position of another public sector from whom we demand something in this. Rs. 38,000 crores are involved in non-performing assets which we presume to be more or less bad debts. That is one good reason why you have made the provision of Rs. 5,700 crores in the budget for their capital adequacy norm. I am not referring to the bad debts or the frauds which have been brought out in this very Report.

So far as the amount involved in frauds also is concerned, this Report says that up to June, 1990 Rs. 512 crores was involved in 25,000 cases of frauds. So frauds are taking place. Embezzlements are taking place. Misappropriations are taking place.

SHRI GURUDAS DAS GUPTA: Only in the public sector?

SHRI SATISH AGARWAL: No. In banks. I mean public sector banks. So, this is bad. ...*(Interruptions)*

SHRI GURUDAS DAS GUPTA: Madam, the Minister can go. Mr. Satish Agarwal is replying to this. There is no need for the Minister now.

SHRI SATISH AGARWAL: This is absolutely wrong.

This is one good reason .... *(Interruptions)*

THE DEPUTY CHAIRMAN: I am quite sure that everybody is not going to speak what you want them to speak. Every Member of this House has his own opinion. Otherwise, this is no

parliament. If there is unanimity, we do not have to be here. Let him give his/ opinion.

SHRI SATISH AGARWAL: You should not have any confusion in your mind. My party always opposed indiscriminate ... *(Interruptions)*

Your remark is that I am replying on behalf of the Finance Minister. Absolutely not. It is ill-conceived. I am placing certain facts.

What is the total number of public sector enterprises in this country? They are 1,050. There are 250 of them in the Central sector and round about 800 in the State sector. What is the total investment made by the Government statistics? Sir, the total investment in the Central public sector undertakings at the end of 1990-91 is Rs. 1,35,800 crores.

If they run well, my good wishes to them, but they are not running well. Also, this amount in the public sector has grown from Rs. 21,000 crores in 1980-81. Now, I only pose a question. I am not against the public sector, but the experience over all these years is that they have been mismanaged. Their performance has not been up to the mark on account of non-viability. You mentioned about the administrative Ministries. My charge is that the administrative Ministries have been misusing their position and have been exploiting the funds of the public sector units through either the Chairmen or the Managing Directors or the Chief Executives of the public sector undertakings.

SHRI GURUDAS DAS GUPTA: I concede, but does it mean that we should now indiscriminately close down the public sector and misuse the investment?

THE DEPUTY CHAIRMAN: Mr. Das Gupta, please let him make his point. You have made your point and I am a witness to the fact that Mr. Agarwal never interrupted you. At least that courtesy should be shown to Mr. Agarwal.

SHRI SATISH AGARWAL: I relish interruptions and more particularly from my opponent. Whatever I have to say I will say, but so far as our ideology is concerned, my party has always opposed indiscriminate nationalisation. Even in 1991 at our Plenary Session we had demanded that disinvestment of the public sector should not exceed 49 per cent. Anyway, I would like to say one thing more so far as the condition of the public sector units is concerned. Mr. Minister, you have mentioned in your statement that out of 118 cases referred to the BIFR, out of 53 in the public sector, only one has been sanctioned by the BIFR. The problem lies here also. I want to know from you how it is that only six cases out of 118 have been decided or for whom revival package has been sanctioned so far. It is a reflection on the functioning of the BIFR.

SHRI DIGVIJAY SINGH (Bihar): And that too of only two States.

SHRI SATISH AGARWAL: In the Central sector it comes to just two per cent. So, you have to strengthen the BIFR so that these cases are decided as early as possible, so that they get funds and there is a revival package. Either the functioning of the BIFR is so slow or its procedures are so combersome or the strength of the BIFR is low. But you have to do something to get this matter decided as early as possible. All these cases should have been decided on party basis, so far as the public sector undertakings are concerned.

Secondly, you can ask the Public Sector Undertakings Committee of Parliament to look into a group of cases and tell what their recommendations are in regard to those cases. Let there be a scrutiny by a Parliament Committee which is already in existence. They can also make certain recommendations if they feel so. I am not asking for reference of all these cases to the COPU, but they can also decide on certain matters.

Madam, two questions have been answered today, but they could not be answered openly in the House. Question Nos. 455 and 456 were listed for today, but they could not be reached to be taken up. You say the reasons why a number of units interlocked include non-viability of operations, excess manpower, obsolete machinery, demand constraint, inadquate financial resources. In another answer you mentioned that IDPL, SSPL, BIL and BCPL have incurred losses mainly due to under-utilisation of existing capacity, non-availability of working capital, excess manpower, huge interest burden, old technology etc. These are the reasons that you have identified for the sickness in the public sector units. What have you done so far? A committee was set up under the Chairmanship of Mr. Rangarajan. But a Committee has also been set up, I understand, under your Chairmanship. That particular Committee is known as the Empowered Committee. What has that Empowered Committee decided? It was set up in April 1991. Have they decided something with regard to them. I quote: "In April 1994, the Government decided to set up an Empowered Committee, under the Chairmanship of the Minister of Finance, to identify the most pressing cases for restructuring of chronically loss-making public enterprises and the limited budget resources available for this purpose, should be applied and to accelerate closure of the remaining chronically loss-making public enterprises."

SHRI MANMOHAN SINGH: It was set up only in April, 1994.

SHRI SATISH AGARWAL: You have decided that only these cases should be referred to the BIFR. But, what is the progress in the BIFR? They were referred long back in 1991. They were pending there for two years and it is not that you have referred these cases after April 1994. You have to make a package deal with regard to the restructuring of the whole public sector undertakings. You cannot make them die like this. One of the hon. Members rightly pointed out that it is just like merciless killing. You take a positive policy decision. It may be wrong, it may be right. It may be liked by someone; it may not be liked by someone. But my only request is, in regard to your reforms, you have to have a humanistic approach. You have to have a human face. The labour employed so far, may be excessive manpower. But, can you throw them out? Is it justifiable that they are not paid wages? Is it justifiable that they are retrenched indiscriminately? Is it justifiable that the units are closing down indiscriminately? Till the units are there in existence, you have to provide funds in a rational way to revive all these units. If you want to close them down, you take a firm decision and come before Parliament and say that the Government has taken a decision to close them down, as has happened in this case, in Rajasthan. In Rajasthan, the Government set up a Committee under the Chairmanship of a very notable former comrade, Mr. Mathura Dass Mathur, who was known all over the communist world. He was a Congress Finance Minister. Now, he ceases to be there. Now, he is no more in this world. A Committee was set up under his Chairmanship and he was popularly known as a very progressive leftist, a communist-minded man. He was earlier a card-holder of the Communist Party. A Committee was set up under his Chairmanship with Congress Members, with Leftist Members, with Janata Dal Members and that Committee recommended the closure of certain unviable units in Rajasthan and the Rajasthan Government has taken a decision. Unfortunately, I was a Member of this Committee. We have recommended that this has to be done. These units can be revived, these units cannot be revived, these units should be closed down, these units should be merged or the Government should convert loan into equity. We have suggested positive measures. Likewise, you must either set up some Committee

to look into all that. There are certain avenues available to do it. I am simply surprised sometimes to see that your financial institutions are very keen to come forward to offer guarantees to Enron.

Now, I am not talking of the Government. I have got an interview cutting by the Chairman, ICICI, Mr. Narayanan Babul. While airing his views, he felt that foreign investors in power projects should consider accepting guarantees from the financial institutions on the performance of the State Electricity Boards rather than seek sovereign guarantees from the Government of India. Now, these financial institutions, as appeared in the latest issue of the Bussiness India, are prepared to offer guarantees. *(Interruptions)*

SHRI GURUDAS DAS GUPTA: Who is going to determine it?

SHRI SATISH AGARWAL: I am not joining issue with you. I am only drawing the attention of the Finance Minister that if the financial institutions can offer guarantees on behalf of the State Electricity Boards instead of the Government guarantees, then it means it is a substitute for a sovereign guarantees by the Central Government. If they can offer that much to foreign power projects, I fail to understand why these financial institutions are finding it difficult to finance our own public sector undertakings which are facing certain financial problems. I know, Mr. Minister, you have a grandmother Ministry. Your Ministry is just like a grandmother. It has to feed many babies. Of course, it has too many babies. You cannot feed them. But, you should have thought of it is advance why to produce so many babies. You have produced them. Now, you cannot kill them. You have a right to produce a baby, but, you have no right to kill a baby.
(Interruptions) Not this Baby, who is setting over here.

SHRI S. JAIPAL REDDY: The Finance Minister is guilty of infanticide.

SHRI SATISH AGARWAL: You are overenthusiastic to bring about a change in the total economy of this country. We have supported part of it, but not in this fashion, because, according to us, the way in which the things are run, I mean the present economic policy which is being pursued by the Government, not by Dr. Manmohan Singh, is a bastardized concept of capitalist economy. This is my feeling. If you are not going to accept what I say, then I would like to remind you of the speech given by the Prime Minister at Davos. What did he say? I quote:

> "Along with these changes has come a rejection of the paradigm of the command economy based on Communism."

The he goes on to say:

> "The middle path only reminds us that one should not accept a dogma even if it happens to be the only one in the world at a given moment."

This is for Mr. Jagesh Desai. He further says and I quote:

> "In the new-found enthusiasm for change, Government should not go overboard and plunge large chunks of their people into mass misery. They have no right to do that. I am not propounding a theory. I am merely saying that I have no right to throw millions of people out of their jobs overnight because I want a particular change."

That is his feeling. But even he has proclaimed that we were not going to throw overboard or out of

employment millions of people.

SHRI MANMOHAN SINGH: Nobody has suggested that we should throw people out of job.

SHRI SATISH AGARWAL: No. But you have not taken any firm decision with regard to that. What about your Renewal Fund? What has happened to it? All the time you are exhorting the people. In Rajasthan, you have closed down, you have merged, institutions or undertakings. But we have provided employment to those people. We have absorbed them. We have no rules for absorption of excess people in other Government areas. So, I would only request—I don't demand...

SHRI MANMOHAN SINGH: Madam,...

THE DEPUTY CHAIRMAN: Would you yield for just one minute?

SHRI MANMOHAN SINGH: Madam, I think the Prime Minister has stated it on any number of occasions that it is no part of our thinking or policy to cause any retrenchment. So, whatever may happen to the sick units, there is no question of throwing these workers into the pool of unemployment. That remains the Government's policy.

SHRI GURUDAS DAS GUPTA: Madam, fifty thousand workers have not received their wages for the last two months in West Bengal. If without getting wages they are not starved, then the hon. Finance Minister should find out their source of living. They are not retrenched. They are all starved.

श्री संघ प्रिय गौतम: आप हमें यह बता दीजिए वित्त मंत्री जी... **(व्यवधान)**

उपसभापति: अग्रवाल साहब भाषण कर रहे हैं। अग्रवाल साहब का भाषण पूरा होने दीजिए। अगर हम इस तरह से बोलें तो...**(व्यवधान)**

You only allowed the Finance Minister, not every Member.

वह इतना अच्छा भाषण बोल रहे हैं।

SHRI SATISH AGARWAL: I have been yielding to his views right from the beginning. I have always respected his views. Of course, I have differed with him on certain occasions.

Is it not a fact that a committe has been set up under your chairmanship in April, 1994, which has also made a reference to accelerating the closure of the remaining chronically loss-making public enterprises? Who is going to decide it? You are going to close them down. You have to decide. Have you decided so far? Will the BIFR decide? I don't think the BIFR will decide about the closure. You have to take a decision with regard to that. The BIFR will take a decision with regard to revival. The revival package has to go before the BIFR, which, unfortunately, in the last two years, has decided only one case out of the 53 Central undertakings referred to it. The progress is so tardy. It is so slow. It is so slackened. I don't know what I should say. I don't want to observe anything against that authority. But then there is no progress. Things will go on like this. There will be Calling Attention Motion in every session in this House because we cannot throw the workers to the streets. We have to provide them employment. Why don't you take a rational decision with regard to closure of certain units, whether private or public? You have to have a human face. The restructuring, the reform, has to have a human face. I demand that there should be a humanistic approach to all economic reforms, to all structural adjustments and to all rationalisation schemes. The workers' plight should not be worsened hereafter and there should be some definite policy framework whereby you can revive whatever you want to revive. You don't revive whatever you don't want to revive. You should say it clearly so that nobody remains in the dark. If they need funds, give them funds. If they are not worthy of funds, close them down. Let there not be any drain on the public exchequer. After all, the funds with the public sector undertakings, more

than Rs. 150 crores, are also public money. The money of the public sector banks is also our money. The Reserve Bank of India has issued certain guidelines which you have mentioned in your statement. These are with regard to the private sector. You are keeping the private sector and the public sector on a par. How is it possible? You have mentioned it in your statement. Guidelines have been issued by the Reserve Bank of India with regard to availability of funds from the banks to the sick units. But, you have not yet decided anything and issued any guidelines with regard to the availability of funds to the public sector undertakings. You have mentioned this at the end of you statement. So, when are those guidelines going to come of? What are those guidelines? How will you give certain preferences? There has to be a difference between sick private sector undertakings and sick public sector undertakings. In a sick public sector company, it is wholly public money. As far as a sick private sector company is concerned, that is also our company but a part of it belongs to the financial institutions and its major part belongs to investors or promoters. Naturally, preference has to be given to the public sector undertakings which are sick and which need to be revived. The Reserve Bank of India has to lay down certain guidelines with regard to availability of funds from public sector banks. I am sorry to say that the Reserve Bank of India has laid down certain guidelines which are applicable, without discrimination, equally to the private sector units and the public sector units. This is not fair, according to me. So, some preference should be given to public sector units so they can be made viable and they can be revived. What ever has to be done, should be done by looking at the special position of this baby which is our own creation. Naturally, we care for the neighbourhood. We also care for other people. We care for the children and others. But, first we have to look after our own baby. Naturally, public sector is our own baby, is our own creation. One may disagree with it. You have a right to produce a baby. But you have no right to kill that baby. I think the present policy of indecision or dithering more or less amounts to mercy killing. So, kindly take these points in a healthy way. That is my submission. Thank you.

THE DEPUTY CHAIRMAN: Mr. Agarwal, after making this eloquent speech, may I ask you take the Chair?

SHRI SANGH PRIYA GAUTAM: ....Provided you give him an opportunity to have his lunch.

SHRI V. NARAYANASAMY: Madam, I have heard the speeches of some of the seniormost Members. First of all, I would like to take the sick public sector units and the accusation made by the hon. Member against the Ministry of Finance of not sanctioning the 'rehabilitation package' to those sick public sector units. Madam, the hon. Minister has mentioned the broad guidelines of the Reserve Bank of India.

Within which public sector undertakings have to be given the 'rehabilitation package'. The moot point is how public sector units become sick. Who is responsible for that? If we go into that aspect we can find a number of reasons like managerial inefficiency, outmoded technology and that the amount of support that was required was not given by the Bureau of Public Enterprises.

[The Vice-Chairman (Shri Md. Salim) *in the Chair]*

It has also appeared in the Press that the Government is losing Rs. 1 crore a day on all the textile mills which are in the public sector. Is it not a huge amount which we are losing from our exchequer? In spite of pumping crores of rupees--this is all public money--into the public sector, due to bad management, many industries are becoming sick. Public sector units have been created with the sole objectives of creation of employment

potential, to ensure regional development in an equitable manner throughout the country and to create infrastructural industries and some other things. But I find to my utter disappointment that most of the public sector units, which are continuing since a long time, have become adopted children, requiring patronage from their adopted father and mother.

Though these public sector units were created for the purpose of providing employment and also for developing all the regions in the country equitably, this purpose could not be achieved. Therefore, what actually are the things that the Government of India has to do for the public sector? Satish Agarwalji was referring to the recommendations of the Rangarajan Committee and the High-Power Committee which was appointed by the Government of India under the Chairmanship of Shri Manmohan Singh. Several Committees were appointed to streamline and revitalise the public sector undertakings. Several reports were submitted, recommending more autonomy, accountability of the public sector undertakings to the Government and recommending against indiscriminate retrenchment of the employees. In spite of all this, the desired results are not coming through. As a Member of the Committee on Public Enterprises, I came across several cases which I don't want to disclose in this House. The degree of bad management of the public sector undertakings is the main reason for their becoming sick. Hon. Members from the other side have said that we have to give financial assistance to the public sector undertakings. Yes, they are right in saying this. I am one with them. I am for the public sector. I am one who wishes that both the public sector and the private sector should grow side by side. It is not the intention of the Government that the public sector units in this country should be closed down. There are three kinds of public sector undertakings. Firstly, public secotor units which are making profits. Secondly, public sector units which are sick but can be revived. Thirdly, public sector units which cannot be revived in spite of the packages given by the Government of India. I quite agree with the hon. Members from the other side who were very much concerned, like me, about the public sector undertakings when they said that if the Government could offer financial packages to those public sector units which could be revived, they would be able to run on a profitable basis. But I would like to know from the Opposition Members whether they want the Government of India to spend money on those public sector units which are chronically sick and are going to die in spite of pumping in money. I would like to know whether the Opposition would like to suggest that the Government should run a public sector unit which could not be revived in spite of bringing in new technology and in spite of providing better management. Let us make the position very clear. Let us not go to the primitive period because what we are spending, after all, is the public money. The Government of India invested lakhs of crores and is also investing every year. When the Government invests so much money, it has to see that the public sector units have made profits. I agree with one point made by them. They said that a number of cases are pending before the BIFR which are not decided for three-four years. That is also not fair because in some way or the other, with whatever documents and other material that are available, they have to decide within two or three sittings whether these public sector undertakings should have a package for revival or not. Sir, some of the public sector undertakings were earlier owned by the private sector. But, since the interests of the employees had to be taken care of—and this is also a social obligation of the Government of India—those units were taken over. Sir, if you go through all the 245 or so public sector undertakings, you will find that at least 20 to 25% of these have been taken over from the private sector by the

Government of India, whether it is the textiles or any other industry. But in spite of the Government pumping money into those industries, those industries could not be revived. This has been our experience even in the drug industry. The Finance Minister also mentioned about the Indian Drugs and Pharmaceuticals Ltd., Haryana. Now, drug industry is one of the vital industries and the public sector has been involved in it in a big way. But there also we are having losses. For the Hindustan Photo Films Ltd. also, a revival package has been given but they are not sure whether they can make it profitable or not. Therefore, Sir, they have to go into the root cause of all this. They have to find out what the reasons for the disease are and then cure it. Simply advising that we should pump in money and the industry will revive is not the solution. The Government of India does want to protect all the public sector units. It wants to give all kinds of help and assistance. But if the industry is dying and if it could not be revived, what is the purpose of making complaints? If you feel that your public money—the amount which you get by way of taxes—is to be pumped into the public sector units only to make further losses, if is well and good. You can ask for it. You can ask for that money to be spent for that purpose. Therefore, Sir. ...*(Interruptions)*...

SHRI RAMACHANDRAN PILLAI (Kerala): We are asking for reviving them.

SHRI V. NARAYANASAMY: You want an industry, which could not be revived at any cost, to be revived.

SHRI DIPANKAR MUKHERJEE: Then, why send it to BIFR at all? ...*(Interruptions)*...

SHRI V. NARAYANASAMY: I will tell you. It is because that cannot be decided by the Government in a haphazard manner. There are some procedures. The financial institutions have to go through the formalities and see whether the industry can be revived or not.

SHRI RAMACHANDRAN PILLAI: You are talking of rituals.

SHRI V. NARAYANASAMY: I am not talking of rituals, Sir. I am talking of a practical thing. Now, rice comes from West Bengal...*(Interruptions)*...Sir, I will give you one small example ...*(Interruptions)*...

DR. BIPLAB DAS GUPTA (West Bengal): Why this West Bengal phobia?... *(Interruptions)*...

SHRI V. NARAYANASAMY: It is not a phobia... *(Interruptions)*...You will know whether I am talking about phobia or not. I will just tell you. sir, take the Haldia project... *(Interruptions)*... Kindly bear with me. When it is a true picture, you should not feel. Sir, for the past eight years, the industry was sick. But the employees are getting their salaries for the past eight years. It is a public sector unit. There is no work. There is no production. The public sector unit is running into losses and still the employees are being paid. It is only in an individual State like West Bengal. How many public sector units are there where the employees get their wages without doing their work?

SHRI DIPANKAR MUKHERJEE: ... *(Interruptions)*... Please come to the fact... *(Interruptions)*...

SHRI V. NARAYANASAMY: If the Government of India has not commissioned the project, how can the employees get their salary?

SHRI DIPANKAR MUKHERJEE: It has been commissioned. You don't know the facts.

SHRI V. NARAYANASAMY: More then two to three thousand employees are getting salary even today.

SHRI DIPANKAR MUKHERJEE: Why? Why? Why not? Why did't you start production there? You started

commissioning. They did not have commercial production. You stoped commissioning.

SHRI V. NARAYANASAMY: Sir, I am telling you that the hon. Member knows it pretty well whether the employees are working there or not. Sir, I am telling...*(Interruptions)*...

Therefore, Sir, we cannot blame the Central Government alone. We cannot blame the Finance Ministry alone. He wanted two crores for the revival of this project and this was not given by the Government of India. The Government has to see whether even after giving the fund, the industry could be revived or not. That point we have to see. But, simply blaming and accusing the Central Government is not fair. I would like to know from the hon. Minister about the annexure which has been given by the hon. Minister. About that annexure I made a comment on the BIFR, how it is functioning. In the Central sector about 53 have been referred. In only one unit rehabilitation has been sanctioned. Winding up notices have been sent to nine units. Out of that, four cases are pending in courts, according to the information. Sir, 36 are pending inquiry. I would like to know from the hon. Minister, out of these 36 cases, how many are in the final stage, when these cases were referred to them, if there is delay why there is delay for the purpose of giving a final verdict? The hon. Members from this House have been saying that the BIFR is sleeping over the matter and various matters have been referred to them. Sir, they can go through the document and give a finding whether the industry can be revived or not. If it could not be revived, let them say so. But, keeping the matter pending for years together is not good. Because, in the whole process there will be cost escalation, time overrun and ultimately the industry will die its natural death. Therefore, I would like to know from the hon. Minister the main reasons for the delay in the BIFR deciding these cases. Secondly....

SHRI NILOTPAL BASU: You decided to kill them.

SHRI V. NARAYANASAMY: Sir, in the guidelines the hon. Minister has said that he has made the intentions of the Government very clear. In the RBI guidelines it has been said that they should not abruptly stop credit facilities to such companies but should exercise their judgement in regard to continuation of the holding operations. Therefore, Sir, in the best judgement of the financial institutions if they find that a particular industry can be revived, then there is no question of a complaint, because they have got a mechanism, they have got a machinery, to find out whether the industry can be revived or not. Therefore, Sir, I would submit that if a term loan is sought by even a small public sector unit which has got a lesser working capital, that can be considered straightway. They should not apply strictly the policy or guidelines which have been given in a broader sense.

I, therefore, request the hon. Minister to give us information on two-three points which I have raised. I support the Government of India's policy of revival package which they wanted for the public sector, but for that for the public sector undertakings in this country, it is not only the duty of the Finance Minister alone, it is not only the duty of the Finance Ministry alone, it is the duty of the Industry Ministry also that in order to take care of them they, have to give more autonomy, they should ask for accountability. Frequent change of CMDs and Chairman should not be there. There are so many other things why they are becoming sick.

These things have to be considered. Accusing the Government that they are not giving funds for this particular industry is not going to solve the problem. Let us find out the root cause and give proper treatment to the disease. And that is the only way in which we can

find a solution. I am grateful to you, Sir, for giving me this opportunity.

श्री दिग्विजय सिंह: उपसभाध्यक्ष महोदय, श्री दीपांकर मुखर्जी द्वारा रखा हुआ यह लोक महत्व का विशेष प्रस्ताव आज सचमुच गंभीरता का विषय बनता जा रहा है और सरकार की तरफ से जो जवाब आया है, उस जवाब को देखने के बाद ऐसा लगता है कि फिर वही बुनियादी गलती हो रही है। पब्लिक सैक्टर के लेने के समय जो काम प्रारम्भ किया गया था, उसी का निर्वाह सरकार फिर कर रही है लेकिन एक बात बुनियादी तौर से इस सदन को जाननी चाहिए और सरकार को भी जाननी चाहिए कि पब्लिक सैक्टर में जब कम्पनियों को लिया गया था तो उसका एक ही मतलब था, जो हमारी आर्थिक नीति का बुनियादी सवाल था कि इस देश का पूरा का पूरा सिद्धांत करुणा पर आधारित था। आज जो सिद्धांत यह सरकार चला रही है, वह इस देश का सिद्धांत नहीं है बल्कि जो औद्योगिक नीति, जिसने दुनिया में सफलता पा ली है, वह है कम्पीटीशन की और प्रतियोगिता की। और एक बात सरकार जान ले कि प्रतियोगिता और करुणा दोनों साथ-साथ नहीं चल सकते हैं। Compassion and competition cannot go together.

अगर बुनियादी सवाल सरकार जान ले तो उसका कुछ निदान हो सकता है। लेकिन सरकार का और हमारा मतभेद, दीपांकर मुखर्जी जी का मतभेद बुनियादी मतभेद है और उस मतभेद के चलते आज यह सरकार इस देश की पब्लिक सैक्टर कम्पनियों के साथ जो बी०आई० एफ०आर० का सवाल खड़ा किया गया था, उस सवाल पर दुविधा में है। दुविधा इसलिए है कि एक ओर तो राष्ट्र से कमिट्मेंट है कि हम इन पब्लिक सैक्टर कम्पनियों को फिर से पुनर्जीवित करेंगे और दूसरी ओर जो आर्थिक नीति सरकार चला रही है, जिसका जिक्र अग्रवाल साहब ने किया था, उसके तहत यह काम नहीं हो सकता है और अगर होगा भी तो सरकार ने जो आंकड़े दिए हैं आपके सामने, उनको गंभीरता से सदन में देखा जाए। पांच कम्पनियों को, जो स्टेट पब्लिक सैक्टर की कम्पनियां हैं, उनको सरकार ने रिवाइव किया है, पुनर्जीवित किया है, पैकेज देने का प्रयास किया है। यह पांचों कम्पनियां कहां की है? यह पांचो कंम्पनियां वहां की हैं जहां कांग्रेस की हुकूमत चल रही है। मेरा इससे कोई विरोध नहीं है कि जहां कांग्रेस की हुकुमत चल रही है, वहां पर आप बी.आई.एफ.आर. के तहत लोगों को पैकेज मत देजिए लेकिन आपने खुद कहा है कि आपके सामने 31 जुलाई 1994 के समय 118 मुकद्दमे थे, जिनमें 65 सूबों के हैं। क्या केरल और आन्ध्र प्रदेश में ही सबसे ज्यादा भुखमरी थी? मैं इसलिए इस बात का जिक्र कर रहा हूं कि बुनियादी तौर पर उस समय भी यही गलती हुई थी, जब आपने आंखें मूंदकर पब्लिक सैक्टर में सारी कम्पनियों को लेना प्रारम्भ किया, जो निजी सैक्टर की कम्पनियां थीं, आज फिर आप उसी गलती को दोहरा रहे हैं। आपकी बुनियादी सोच में बदलाव आना चाहिए। वैस्ट बंगाल के लोग अगर कोई बात कहते हैं तो आपको बुरा लगता है लेकिन जो जन-प्रतिनिधि है वहां का, उसके मन में तो दर्द होता ही है कि उसके लोग वहां भूखे तड़पकर मर रहे हैं। दूसरे सूबों के लिए आपको दर्द होता है और वहां पर आपको कोई दर्द दिखाई नहीं पड़ता है, उसकी क्या वजह है, यह सोचने का प्रयास करें, जब आप इस तरह का कार्यक्रम तय करें। बी.आई.एफ.आर. कोई आइसोलेशन से नहीं बना था। उपसभाध्यक्ष महोदय, कुछ समय वहां मैं भी इस विभाग में मंत्री रहा हूं और पब्लिक सैक्टर को इस क्लॉज में लाने के प्रयास की शुरूआत मैंने अपने समय में की थी। तो प्राइवेट सैक्टर के लिए तो आपने यह काम किया है लेकिन जो पब्लिक सैक्टर की कम्पनियां हैं, उनकी क्या हालत होगी? शुरूआत करते समय यही ध्यान में रखा गया था, जिसकी शुरूआत मैंने की थी कि करूणा का सवाल इस देश में है, लोगों के मन में है। आखिर इसकी जिम्मेदारी किस पर थोपी जाये? इसकी जिम्मेदारी ट्रेड यूनियंस पर थोपी जा सकती है, मैनेजमेंट के ऊपर थोपी जा सकती है, राजनेताओं पर थोपी जा सकती है। लेकिन मरने वाला आदमी, परेशान होने वाला आदमी वह गरीब आदमी है जो मजदूर के रूप में इस कंपनी में काम कर रहा था। अभी श्री नारायणसामी जो कह रहे थे कि सरकारी पैसे से इसको चलाना नहीं है, सरकार का पैसा इसमें डुबोना नहीं है। हम नहीं कहते कि आप सरकार का पैसा डुबायें। लेकिन क्या सरकार की कोई मौलिक जिम्मेदारी है कि नहीं? सरकार की मौलिक जिम्मेदारी है कि वह देखे कि आदमी को रोटी कैसे दी जा सकती है। इसलिए इस "बाइफर" के सिद्धांत को जरा एक बार फिर से, आप बाद में इन कंपनियों को "बाइफर" में लें, पहले अपनी मिनिस्ट्री की सोच को आप "बाइफर" में एक बार लें, क्योंकि आपकी मिनिस्ट्री सिक हो गयी है। सिक इस मायने में कि आपका पूरा सोच बदल गया है। पूरा का पूरा सोच बदल गया है और उस सोच का ही नतीजा है कि आज इस हालत पर हम लोग पहुंच गये हैं जहां मजबूरी में हम लोगों को कहना पड़ता है और इन फैसलों को लेते समय मतभेद बने हुए है। इसलिए इस बात को ध्यान में

रखकर "बाइफर" में जो कंपनियां आप लें, उनकी एक ओवर-आल पिक्चर ऐसी लोगों को देखने को मिले कि निष्पक्ष ढंग से फैसला ले रहे हैं।

दूसरी बात, जो मैं अपासे अर्ज करना चाहता हूं वह यह है कि अगर सचमुच आपको यह लगता है कि ये कंपनियां वाइबल नहीं हैं और मुझे यह मालूम है जो मर्सी फीलिंग की बात कही गयी है, यह बात बिल्कुल सही है कि जो औद्योगिक नीति इस देश में चल रही है, मैं यह बात बड़ी ईमानदारी से आपसे कहना चाहूंगा कि इस औद्योगिक नीति को बनाने वाले कांग्रेसी तो आज आए, जनता दल सरकार, जिसमें हम लोग पार्टी के थे, उस समय अजीत सिंह जी ने एक औद्योगिक नीति रखी थी। यह ईमानदारी आपमें होनी चाहिए कि आप इसको कबूल करें। आज इस देश में एक मानसिकता का असर ज्यादा हो रहा है। पिछले कुछ वर्षों से कि जब तक यह काम नहीं होगा तब तक हमारा कल्याण नहीं होगा। आपने हवा में बात चलायी और सरकार ने जब हवा चलायी तो बात आगे बढ़ी। लेकिन उसका नतीजा यह निकला कि पूरी मानसिकता कमजोर हो गयी। इसलिये इन बुनियादी सवालों पर सोचने के लिये हम मजबूर हैं।

इसलिए मैं गुजारिश करूंगा कि सिक युनिट्स को "बाइफर" में लेने के बारे में एक खुला दृष्टिकोण आप रखें। आप हिम्मत करें। जो भी आपको करना हो उसके बारे में फैसला करें। दो-दो साल, तीन-तीन साल, पांच-पांच साल लोगों के जीवन के साथ आप मजाक नहीं कर सकते। आपने उसका एक अल्टरनेटिव निकाला है कि हम लोगों को पैसा देंगे और कंपनी को बंद करेंगे। आपने दूसरा तरीका यह भी निकाला है कि गोल्डन हैंडशेक करके लोगों को हटा देंगे। जो भी आपने तरीका निकाला हो उसके बारे में एक स्पष्ट राय आपको तय करनी होगी तभी इसका निदान निकलेगा। यह कह देना बहुत आसान है कि अब इसका कोई इलाज नहीं है। रोग का इलाज, मैं इसलिये यह बात कह रहा हूं कि क्योंकि वित्त मंत्री बाहर जाकर कहते हैं, रिकार्ड पर है कि जो इंडस्ट्री सिक हो गयीं हैं उनके रिवाइबल की स्थिति में हम नहीं हैं। यहां अगर मैं उनकी बात को कोट कर दूं तो आपको जुबान नहीं खुलेगी ...(**व्यवधान**)..... बोलने का कोई फायदा नहीं है। जैसा कि मैंने शुरू में कहा कि जहां पूरे कुंयें में भंग पड़ी हो वहां कौन होश की बात करेगा। इसलिये उपसभाध्यक्ष महोदय, मैं माननीय मंत्री जी से कहना चाहूंगा कि आज यह एक बुनियादी सवाल है और मैंने जैसा आपसे शुरू में ही कहा था कि अगर आप अपनी नीति में इन दोनों बातों, करुणा और प्रतियोगिता का ध्यान रखेंगे तो करुणा और प्रतियोगिता साथ साथ नहीं चल सकती। अगर गरीब का ध्यान आप रखेंगे, उनके हितों के बारे में अगर आपके पास कोई नजरिया होगा तभी आप इस चीज का कोई निदान ढूंढ सकेंगे। उपसभाध्यक्ष महोदय, बहुत बहुत धन्यवाद।

ANNOUNCEMENT RE. ARREST OF MEMBER

THE VICE-CHAIRMAN (SHRI MD. SALIM): Hon. Members: I have to inform you that the hon. Chairman has received the following Wireless Message dated the 25th August, 1994, from the Additional S.H.O., Parliament Street, New Delhi:

> "Shri Jalaludin Ansari, Member of Rajya Sabha has been detained at 12.30 hours on 25th August, 1994, in Police Station Parliament Street, under section 65 of the Delhi Police Act and not yet released."

CALLING ATTENTION TO MATTER OF URGENT PUBLIC IMPORTANCE

Refusal of Banks and Financial Institutions to provide working capital to Public Sector Undertakings and sick units—*contd.*

श्री रजनी रंजन साहू (बिहार): उपसभाध्यक्ष महोदय, इस कालिंग अटेंशन के माध्यम से सरकार का ध्यान आकृष्ट किया गया है और इस पर हमारे कई माननीय साथियों ने अपने विचार प्रस्तुत किये हैं। मैं उम्मीद करता हूं कि यह अहम मुद्दा जो हमारे सामने है, माननीय वित्त मंत्री जी इन सारे विचारों को आत्मसात करके एक निर्णय पर पहुंचेंगे। मैं माननीय साथी श्री दिग्विजय सिंह जी की बातों से सहमत हूं कि जो पब्लिक सेक्टर अंडरटेकिंग्ज़ की स्थापना की गई थी, वह हमारे देश के लिए एक बहुत आवश्यकता थी परन्तु मैं यह नहीं मानता हूं कि केवल करुणा की दृष्टि से पब्लिक सेक्टर अंडरटेकिंग्ज़ की स्थापना की गई थी। हमारे देश में आज़ादी के बाद निजी पूंजी का अभाव था और देश में बुनियादी उद्योगों की बहुत आवश्यकता थी। उसी बुनियादी उद्योगों को लगाने के लिए पब्लिक सेक्टर अंडरटेकिंग्ज़ ही लगाई जा सकती थी और लगाई गई